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Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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00-67039 (E)

The meeting was called to order at 10.13 a.m.

Agenda item 169: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations

1. **The Chairman** recalled that the Fifth Committee had initiated the review of the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations at the fifty-fourth session of the General Assembly. That discussion, and subsequent action by Member States, had led the General Assembly to include the item on the agenda of the current session.

2. **Mr. Levitte** (France), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Malta, Romania, Slovakia and Slovenia and, in addition, Iceland, said that the European Union considered reform of the scale of assessments for peacekeeping operations to be essential if the Organization was to have an equitable and therefore stable and sustainable financial basis. The Ministers for Foreign Affairs of the States members of the European Union had recently reaffirmed the Union's desire for an overall reform of the scales for the regular budget and for peacekeeping operations, and had again emphasized that the European Union could not consider overhauling the scale of contributions to the United Nations without open negotiations aimed at a fairer distribution of the financial burden and at protecting the financial interests of the States members of the European Union, which currently contributed at a rate far in excess of their share of world wealth. In 2000, the European Union was contributing 39 per cent of the cost of United Nations peacekeeping operations, as well as substantial amounts for such operations within the framework of regional organizations.

3. The future scale for peacekeeping operations must be established in close observance of the principles of capacity to pay, the special responsibility of the permanent members of the Security Council, and the relatively limited capacity of countries with less developed economies to make contributions.

4. Finding the resources to provide the financial backing for the mandated activities of the United Nations, including peacekeeping operations, was a collective responsibility of Member States. The arrangements for financing peacekeeping operations must not, therefore, over the long term, depart from the principal of capacity to pay. Although profound economic change had occurred in the world since the peacekeeping scale had been introduced in 1973, the scale itself had changed very little, and had taken account only very partially, imperfectly and belatedly of changes affecting the prosperity of Member States and hence their capacity to pay. There were considerable anomalies in the current peacekeeping scale: about 20 countries with a per capita income above the world average were granted a considerable reduction for no valid reason, and one country with a per capita income below the world average was granted no reduction, and the lack of flexibility in the scale structure affected States whose economic situation was deteriorating. Those inequities must be corrected as part of the overall reform. One of the European Union's main objectives was reform of the groups so as to create a more fluid structure based on objective criteria, in particular per capita income, which would better reflect each Member State's capacity to pay. The composition of the groups would thus be regularly updated as new economic data became available.

5. The permanent members of the Security Council must assume special responsibility with regard to financing peacekeeping operations. For the European Union, any departure from that principle was out of the question. While a surcharge of 15 per cent on the permanent members' assessments would be reasonable in the European Union's view, the level of the surcharge remained to be discussed, as did the structure of the groups and the reduction granted to low income countries. The surcharge must be fixed, predictable, and negotiated and agreed upon by all Member States. Its level must be determined on the basis of the methodology used in determining the scale for the regular budget and the permanent members' contribution to that budget. As an example of the extent to which the principle of capacity to pay had been distorted in the name of the special responsibility of the permanent members of the Security Council, under the current system the surcharge would exceed 25 per cent in 2001.

6. The surcharge levied on the five permanent members was intended to reduce the burden on countries with poorer economies, in consideration of the relatively low capacity of such countries to contribute to defraying the costs of peacekeeping operations. That was a further solidarity measure to

complement the planned mechanisms for redistributing the financial burden in the regular scale.

7. In 1996, the European Union had proposed four sets of measures to restore the balance and sustainability of United Nations finances and place the Organization on a predictable, sound, lasting and equitable financial footing. Reform of the scale for peacekeeping operations had been part of the package, as had been reform of the scale for the regular budget. The objective would, however, be fully achieved only if all Member States paid their contributions in full, on time and unconditionally. The European Union was approaching the coming negotiations in a spirit of openness, and expected the discussions on the two scales to yield significant results that would be equitable, sustainable and consensual.

8. **Mr. Albrecht** (South Africa), speaking on behalf of the Movement of Non-Aligned Countries, said that during the thirteenth Ministerial Conference of the Movement, held in April 2000, the Ministers had reaffirmed the importance of maintaining the principle of capacity to pay as a fundamental criterion in the apportionment of the expenses of the Organization. Any unilateral attempt to modify the scale of assessments by establishing conditions contrary to the principles of the United Nations was unacceptable to the 114 members of the Movement. The Ministers had reiterated that the principles and guidelines for the apportionment of the expenses of peacekeeping operations approved by the General Assembly in its resolutions 1874 (S-IV) of 27 June 1963 and 3101 (XXVIII) of 11 December 1973 must be adopted on a permanent basis. In that regard, account must be taken of the special responsibility of the five permanent members of the Security Council for the financing of the costs of such operations. Furthermore, the Ministers had stressed that member countries of the Movement and other developing countries should be classified in a category no higher than group C.

9. **Ms. Merchant** (Norway) said it was paramount that Member States should actively contribute to efforts to prepare the United Nations more effectively for the increasing number and complexity of peacekeeping operations. The scale for peacekeeping operations had not been updated since its inception in 1973; it was therefore necessary to review the current scale so as to ensure that it could support current and future peacekeeping activities. Any modification of the scale should be the result of a comprehensive review based on rational political and economic considerations. It was the collective responsibility of the Member States to secure adequate financial resources for peacekeeping operations. In that regard, a generous and transparent low income adjustment for developing countries was needed in order to enable them to obtain relief proportionate to their per capita income or to some other agreed measure. Needless to say, the surcharge should be retained for the permanent members of the Security Council.

10. **Mr. Ahmad** (Pakistan) said that, in view of the fact that Pakistan's troops had made supreme sacrifices in the cause of world peace, it was only natural that his country attached the utmost importance to any effort to augment the financial and operational capacity of the United Nations so as to enable it to handle the growing demands of peacekeeping.

11. Strengthening the capacity of the United Nations to maintain international peace and security was a collective responsibility of the entire membership of the Organization. The task would be facilitated by the recent report of the high-level panel led by Ambassador Brahimi (A/55/305-S/2000/809). The Secretary-General, in his report on the work of the Organization (A/55/1), had also underlined the urgent need to provide additional resources and adequate institutional support to enable the United Nations to cope with the surge in peacekeeping requirements. His delegation earnestly hoped that the question would be addressed during the current debate in a spirit of mutual accommodation and understanding, with the sole objective of ensuring a secure financial foundation for United Nations peacekeeping operations.

12. Expressing his delegation's deep concern at the perennial financial problems that continued to afflict United Nations peacekeeping operations, he noted that the Secretariat had lately resorted to the practice of cross-borrowing from peacekeeping funds. That practice was resulting in delays in reimbursements to troop-contributing States, including Pakistan. In addressing the financial predicament facing the United Nations, it was essential, as a starting point, for all Member States to fulfil their financial obligations in full, on time and without conditions. Other innovative and realistic approaches to rationalizing and updating the existing system of financing peacekeeping operations should also be evolved. In transforming the existing ad hoc financing arrangements into a permanent scale of assessments, it was profoundly

important that full account should be taken of the economic difficulties of the developing countries. The burden of any adjustments should not be shifted to the developing countries, but instead should be assumed by those countries which were economically in a better position to do so.

13. The principles and guidelines contained in General Assembly resolutions 1874 (S-IV) and 3101 (XXVIII) provided adequate guidance for developing a system that was equitable, stable and sustainable. In fact, the principles set out in resolution 1874 (S-IV) remained valid and completely relevant to present-day realities and they should therefore remain central to any institutionalized financing arrangement for United Nations peacekeeping. Those principles characterized peacekeeping as a collective responsibility, with the permanent members of the Security Council bearing a special responsibility. They also acknowledged that economically developed countries were in a better position to contribute to United Nations peacekeeping operations than economically less-developed countries. Moreover, attempts to strengthen the financial base of the United Nations should not be linked to other aspects of United Nations reform, which were already being addressed through separate mechanisms.

14. **Mr. Holbrooke** (United States of America) said that the Fifth Committee must, by the end of the year, fundamentally revamp and institutionalize the manner in which United Nations peacekeeping operations were financed. Some 40 years earlier, the United States, along with other Member States, had advocated the establishment of a peacekeeping scale of assessments related to the regular-budget scale and based on capacity to pay. However, deep political divisions had thwarted those efforts. At the start of a new century, and at a time when the Organization's responsibilities had grown exponentially, the Fifth Committee had a historic opportunity to remedy the problems relating to the financing of United Nations peacekeeping operations.

15. No one doubted that the financing arrangement agreed upon in 1973 was outdated or that the financing of peacekeeping operations must be made more equitable. The report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809) represented a major step towards that goal. Over 75 Member States, including the five permanent members of the Security Council, had called for the revision of the current ad hoc peacekeeping scale. The time had come to take action to address the desperate shortfalls experienced by peacekeeping operations in terms of troops, equipment and training, particularly in view of the risks faced by their personnel, including those from the United States, which was by far the largest contributor of personnel to the civilian police component of peacekeeping missions.

16. Two aspects of the peacekeeping reform effort must be addressed simultaneously: the way the Department of Peacekeeping Operations worked and the way Member States financed its operations. With respect to the first issue, the report of the Panel on United Nations Peace Operations charted a course for strengthening the Organization's peacekeeping capabilities, and Member States and the Secretariat were working in partnership towards that shared goal. The same creativity and partnership were needed in relation to the financing issue. Without a concrete strategy to address key operational weaknesses, the money invested in peacekeeping would not yield results. Combined and rapid steps towards operational and financial reform would restore the Organization's reputation and effectiveness in peacekeeping.

17. While the details of peacekeeping financing were technical, the decision on whether to save United Nations peacekeeping was political. Virtually all Member States agreed that to start the year 2001 with the current ad hoc arrangement in place would be untenable; even Brazil, which had originally proposed that arrangement, had acknowledged, in 1973, that it should not set a precedent. It assigned 98 per cent of the financial responsibility for peacekeeping to 30 Member States, while the other 159 Member States paid only token amounts, regardless of their economic circumstances.

18. By its resolution 1874 (S-IV) of 27 June 1963, the General Assembly had agreed on the fundamental principles that must underpin any revision of the scale: the collective responsibility of all Member States for financing peacekeeping operations; the special responsibility of the permanent members of the Security Council; and the relatively limited capacity of low-income developing countries to contribute to peacekeeping. The first principle dictated that the scale must no longer be predicated on political divisions and preconceptions. The criteria for categorizing Member States for the purposes of the scale must be neutral, objective and transparent. Per capita income and gross national product (GNP) were examples of such criteria.

19. Because the scale was so outdated, the revision would require some Member States whose economic circumstances had changed to increase their contributions to the peacekeeping budget. Eighteen of those countries (Antigua and Barbuda, Bahrain, Bulgaria, Cyprus, Estonia, Hungary, Israel, Kuwait, Latvia, Malta, Oman, the Philippines, Qatar, the Republic of Korea, Romania, Saudi Arabia, Slovenia and the United Arab Emirates) had already acknowledged that fact, while other countries, some of which had limited means, had volunteered to increase their contributions. Their leadership had paved the way for the Committee to reach consensus on a formula that would be fair to all States.

20. The scale must better reflect the diversity of the world economy. Under the current structure, countries were given either an 80 per cent discount or no discount at all on their contributions, and they were divided into only four categories. However, the Organization's Members represented more than four different levels of economic strength. To enable countries to increase their contributions gradually, intermediate groups of middle-income countries should be established for Member States which could pay more than 20 per cent but less than 100 per cent of their contributions to the regular budget. Regardless of the number of additional groups agreed upon, the system must provide for automatic updates so that countries would move up or down in the scale in relation to their economic circumstances.

21. The scale should also reflect the special responsibility of all the permanent members of the Security Council. When the Organization had been founded, those five countries had been the largest contributors to both the regular and the peacekeeping budgets. Currently, however, only three of them were among the top five contributors; no fewer than 19 Member States contributed more to the regular budget than the permanent member of the Security Council with the lowest contribution, while 14 Members paid more for peacekeeping. Meanwhile, the peacekeeping assessment of the United States continued to grow and would reach a record level of over 31 per cent in 2001. At the Security Council summit meeting held during the Millennium Summit, the leaders of the permanent members of the Council had agreed on a set of principles reaffirming their special role, which must be put into practice.

22. His delegation would not support any proposed revision of the scale that would increase the peacekeeping assessment rates for countries with low per capita income. It would support the continuation of the current 80 and 90 per cent discount levels for all low-income countries.

23. The case of South Africa, which was a victim of the Fifth Committee's failure to adapt the ad hoc scale to changing economic realities, exemplified the current problem. Although its per capita income had fallen below the world average, South Africa was still in group B, where it had been placed in 1973. Once a revised scale was adopted, South Africa and other countries in similar situations would no longer be assessed at the same rate as developed countries with high per capita income but would benefit from automatic adjustments. His delegation supported South Africa's request to change groups no later than January 2001, regardless of whether or not a revised scale was fully in place by that time.

24. He hoped that the Committee would succeed in creating an improved financial structure for peacekeeping in time to support current operations. Once that structure had been put in place, the Committee would be in a position to consider the financial implications of the recommendations of the Panel on United Nations Peace Operations. Immediate action was vital, in view of the risks of the Organization's current course and the benefits to be gained from an improved system.

25. **Mr. Gatilov** (Russian Federation) said that, in view of the unprecedented increase in United Nations peacekeeping activities and expenditure, the time had come to guarantee the sustainability of peacekeeping financing by adopting a new scale of assessments for peacekeeping operations. Some members of the Fifth Committee wished to reconsider the proposals on which intensive consultations had been held prior to the adoption, in 1973, of the ad hoc agreement on the financing of the United Nations Emergency Force (resolution 3101 (XXVIII)), which had become the basis for the financing of peacekeeping operations, despite the fact that it had been an agreement and not a scale of assessments. The outcome of previous deliberations, with the necessary adjustments, could also form a good foundation for future consultations on the subject. In addition, the Committee should analyse the ideas discussed recently by the High-level

Open-ended Working Group on the Financial Situation of the United Nations.

26. A reformed scale of assessments for peacekeeping operations should reflect the real capacity to pay of Member States and the special financial responsibility of the permanent members of the Security Council. Under the Charter, that special responsibility arose exclusively in connection with the discharge of functions related to the maintenance of international peace and security. The Russian Federation, as a permanent member of the Security Council, would continue to fulfil additional financial obligations in relation to peacekeeping operations and would help to ensure the reliability and sustainability of peacekeeping financing by paying its contributions in full and on time and by completing the liquidation of its peacekeeping arrears.

27. The proposal to establish one or more groups between groups B and C in the peacekeeping scale was long overdue and completely logical. Clear economic criteria must be agreed upon for the assignment of countries to one group or another. The idea of introducing a surcharge, albeit a purely symbolic one, for non-permanent members of the Security Council should also be considered.

28. The reform of the scale for peacekeeping operations was inseparable from the principle of the responsibility of Member States to honour their financial obligations without conditions. The reform would be viable only if the agreements reached included the payment of arrears and guarantees that the Organization would not again be subjected to artificially created financial crises. Final decisions on the reform of the scale of assessments should be taken by consensus.

29. **Mr. Sun Joun-yung** (Republic of Korea) said that the planning, management and deployment of United Nations peacekeeping operations had become more difficult owing to the increase in their number and the changes in their nature. In addition, the total cost of those operations had more than tripled in the past year. The role and capacity of the Department of Peacekeeping Operations should be strengthened in the areas of planning, deployment, staffing and procurement to enhance operational efficiency and secure the safety of peacekeeping personnel. The report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809) provided a good basis for discussions on how to make peacekeeping operations more effective and efficient. He regretted that the Organization's current financial difficulties were hampering the operational efficiency of its peacekeeping activities and delaying reimbursements to troop-contributing countries.

30. His delegation therefore welcomed the opportunity to review the scale of assessments for peacekeeping operations to make it more stable and equitable. The current system for apportioning peacekeeping expenses had been adopted on an ad hoc basis in 1973; the sweeping changes in the Organization's membership and in the global economy since that time called for a comprehensive review of the system. The Republic of Korea, which had contributed troops to peacekeeping operations in East Timor, Western Sahara and Angola, would take steps, commensurate with its economic strength, to increase its contribution to the budget for peacekeeping operations.

31. **Mr. Kobayashi** (Japan) said that, given the amount of attention currently being focused on United Nations peacekeeping operations, his delegation welcomed the fact that reform of the scale of assessments for the apportionment of the expenses of peacekeeping operations was now on the agenda of the General Assembly. The permanent members of the Security Council had special responsibilities with regard to the financing of peacekeeping operations, and all premiums resulting from any adjustment to the scale of assessment must consequently be borne by them. That principle was of long standing and should be maintained in any new system. Moreover, any new system for determining the scale of assessments for peacekeeping operations should reflect the economic realities of the present-day world. The current system was outdated; there had been substantial changes in the economic conditions of many Member States since the basic formula and grouping of the system had been established in 1973. In reviewing and revising the current assessment formula and the grouping, it would be useful to establish objective criteria in order to ensure that the system would reflect the current economic conditions of Member States and respond to any future changes in those conditions.

32. **Mr. Šimonović** (Croatia) said that there had been five different peacekeeping operations in Croatia in the past nine years. One of those operations, the United Nations Mission of Observers in Prevlaka (UNMOP), would be completed in the near future and the human

and financial resources released as a result would become available for use in other parts of the world. Croatia was proud that a small group of its personnel had joined the United Nations Mission in Sierra Leone (UNAMSIL).

33. The report of the Panel on United Nations Peace Operations reaffirmed the need for substantive reforms of United Nations peacekeeping. The increasingly multidimensional and complex role of peacekeeping operations resulted in increased demands for financial resources and personnel and enhanced reaction-time capacity. A sustainable system of peacekeeping financing — possibly including measures to encourage Member States to pay their assessed contributions — was needed. The costs must be divided fairly among all Member States, since peacekeeping was a collective responsibility, as was shown by the increase in the number of troop-contributing countries from 64 in 1996 to 83 in 2000. At the same time, the failure of Member States to honour their financial obligations would be unfair to troop contributors, particularly developing countries and those with economies in transition. The administrative and financial framework for peacekeeping operations must be made as effective as possible in view of the rising costs of such activities.

34. The current scale of assessments for peacekeeping operations should be revised and reforms of peacekeeping activities should be introduced with a view to ensuring the effectiveness and success of future operations, in particular the safety and security of peacekeepers. While the scale should be based primarily on each Member State's capacity to pay, it should also reflect the special responsibilities of the permanent members of the Security Council. Croatia was still rebuilding its infrastructure and economy and coping with the social and developmental burdens of economic transition. However, it hoped that, in the near future, its economic situation would allow it to assume a larger share of the burden of financing peacekeeping operations. The Fifth Committee should consult with relevant United Nations departments and bodies in devising a more balanced and acceptable peacekeeping scale. His delegation supported the idea of dividing Member States into more than four groups for the purposes of the scale in order to enhance its transparency and fairness.

35. **Mr. Chowdhury** (Bangladesh) said that the financing of peacekeeping operations was the collective responsibility of all Member States and that the permanent members of the Security Council had special responsibilities in that regard.

36. As one of the largest troop contributors, his Government stressed the need for timely reimbursement to Member States of the costs of troops and equipment. The rate of reimbursement for troop-contributing countries was one issue that had not been mentioned in the Report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809). That rate, like the peacekeeping scale, had been fixed many years earlier and should be reviewed.

37. **Mr. Lancry** (Israel) stressed the urgency of a comprehensive reform of the financing of peacekeeping operations. The scale of assessments must be modified so as to distribute the burden more evenly. First and foremost, the Organization's reliance on the contribution of one Member State must be lessened. To that end, a more appropriate ceiling should be established for both the peacekeeping budget and the regular budget.

38. Any reform of the special scale of assessments should also take into account the special responsibilities of the permanent members of the Security Council and should maintain the low per capita income adjustment and the minimal assessment rate of .001 per cent for the least developed countries.

39. **Mr. Listre** (Argentina) said that the current system for the apportionment of the costs of peacekeeping operations had been agreed on in 1973 as an ad hoc arrangement. Circumstances, however, were no longer the same as they had been. The Organization was facing ever greater and more complex challenges in a transformed international political and economic environment.

40. In order to enable the United Nations to meet its new responsibilities fully while providing for an equitable scale of assessments, two factors must be taken into account: first, the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security, which meant that they should bear most of the cost of peacekeeping operations; and, second, the limited capacity of developing countries to contribute financially to such operations, which meant that any increases in their assessments should be gradual and spread out over time. Grace periods should also be provided.

41. **Mr. Herrera** (Mexico), noting that a group of developing countries with economies in transition had recently announced that they were prepared to waive or reduce the discounts to which they were entitled in their peacekeeping assessments, pointed out that, whenever a developing country agreed to increase its assessment, that meant that the permanent members of the Security Council paid less, without relinquishing any of their power and privileges.

42. In accordance with General Assembly resolution 1874 (S-IV), there were two basic principles, namely, the special responsibilities of the permanent members of the Security Council in the financing of peacekeeping operations and the limited capacity of developing countries to contribute financially to such operations. His delegation believed that the review of the special scale should be based on the following criteria: first, the negotiations should not be linked to the reform of the Security Council, as they would deal only with the financial aspects of peacekeeping operations; second, the special scale, as defined in General Assembly resolution 3101 (XXVIII), was basically a political agreement, although the principle of capacity to pay was implicit in its provisions; third, it would be ironic if the developing countries began to pay more than some of the permanent members of the Security Council; fourth, any arrangement worked out with regard to the scale of assessments for the financing of peacekeeping operations should be adopted by consensus following the adoption of the draft resolution on the scale of assessments for the regular budget; and fifth, since all countries must adhere to fiscal discipline, sudden increases in their levels of assessment should be avoided, particularly in the case of developing countries.

43. **Mr. Göktürk** (Turkey) said that the Committee's decision to consider the scale of assessments for the regular budget in tandem with the peacekeeping scale was pertinent. As the exercise proceeded, it would be seen how the use of different criteria in one scale would influence the other.

44. His Government, which was becoming an increasingly visible partner in peacekeeping and peacemaking efforts at both the international and regional levels, was ready to assume any financial responsibility that was the product of consensus arrived at through negotiations. The relevant economic and financial criteria reflecting countries' capacity to pay should be taken into account, and the permanent members of the Security Council should retain their unique status in respect of the apportionment of financial responsibilities.

45. **Mr. Soulama** (Burkina Faso) endorsed the statement made on behalf of the Group of 77 and China. The reform of the scale of assessments for peacekeeping operations was necessary because, during the 27 years that had elapsed since the adoption of the current system in 1973, some Member States had experienced economic growth, and their contributions should increase. Such a reform would be to the advantage of the African States, since the continent was racked by conflicts requiring the deployment of peacekeeping operations, and such operations required financing.

46. It was by no means certain, however, that a reform of the system would induce non-payers to change their conduct. For instance, the refusal of the major contributor to pay was supported by its domestic law, which the United Nations could not challenge.

47. **Mr. Erdös** (Hungary) said that his delegation wished to associate itself with the statement made by the representative of France on behalf of the European Union. There was a pressing need for reform of the peacekeeping scale in the broader context of the ongoing efforts to achieve a more efficient United Nations better able to meet the challenges it faced. The current scale contained several anomalies. For example, a number of countries, including Hungary, continued to benefit, for no objective reason, from a large discount in respect of their contributions. In keeping with the principle of capacity to pay, his Government had already announced its readiness to give up its discount. It was to be hoped that work on a revised scale could be completed before the close of the current session of the General Assembly. The new scale must be implemented gradually, taking into account the difficulties that would be experienced, following the redistribution of the burden of payment, by countries that gave up their discounts.

48. **Ms. Wensley** (Australia), speaking also on behalf of Canada and New Zealand, said that, in accordance with Article 1 of the Charter of the United Nations, Member States had a collective responsibility to maintain international peace and security. Peacekeeping was a core activity of the United Nations. The Governments of Australia, Canada and New Zealand were committed to supporting effective

and adequately resourced peacekeeping work by the United Nations, both in the field and at Headquarters. They therefore welcomed the fact that Member States had agreed on the need for a comprehensive review of the ad hoc peacekeeping scale, which they had been proposing for a number of years.

49. The review should result in a revised scale that was more transparent and equitable, and less arbitrary, than the current ad hoc arrangement. The scale should continue to be based on the scale of assessments applicable to the regular budget and on the principle of capacity to pay. As under the current arrangement, the permanent members of the Security Council, because of their special responsibility for the maintenance of international peace and security, should pay a premium, and the benefits of that surcharge should flow to the less economically developed countries, in particular the least developed countries. The scale should have no predetermined ceiling or floor.

50. She welcomed the statement made, on 7 September 2000 by the permanent members of the Security Council, in which they had reaffirmed their special responsibilities and committed themselves to creating a more stable and equitable financial foundation for current and future United Nations peacekeeping operations.

51. The comprehensive review of the peacekeeping scale should establish objective economic criteria for the group system so as to address the anomalies within and between the groups. Such criteria would provide a basis for assigning new Member States to groups and would facilitate the movement of States between groups. Any revised group system should include a group consisting exclusively of the least developed countries, with the largest discount in respect of peacekeeping assessments being reserved for that group. The review should also address the overall decline in the contributions of the permanent members of the Security Council to the funding of United Nations peacekeeping operations and the arrangements for the distribution of the premium among those five countries should be modified. In future, there should be periodic reviews of the scale.

52. The Committee should consider short-term transitional arrangements for Member States which were significantly affected by the reform of the peacekeeping scale. While the regular budget and peacekeeping scales were connected, delegations should not await the finalization of the former before commencing their work on the latter. Those delegations that had specific proposals should introduce them at a formal meeting of the Committee so that they could be considered by all. The delegations of Australia, Canada and New Zealand would review every proposal on its merits. They were keen to see negotiations proceed as quickly as possible, since an equitable peacekeeping scale was a prerequisite for the adequate financing of peacekeeping operations.

53. **Mr. Ducaru** (Romania) endorsed the statement made by the representative of France on behalf of the European Union. His Government attached great importance to the reform of United Nations peacekeeping operations. It therefore welcomed the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809), which contained extremely valuable proposals in that regard. The enhancement of peacekeeping operations must be accompanied by reform of the peacekeeping budget.

54. In keeping with its commitment to peacekeeping activities, his Government had decided to move from group C to group B of the scheme for the apportionment of the costs of United Nations peacekeeping operations. It should be emphasized that that decision had been taken at a time when Romania was undergoing a process of complex and difficult economic reform. While the Organization's peacekeeping activities must be placed on a sounder financial footing, the additional resources required must not be provided at the expense of United Nations development activities, since development was a pillar of international stability. His delegation looked forward to participating in the negotiations on a revised scale based on the central principle of capacity to pay.

55. **Ms. Pajula** (Estonia) stressed the importance of maintaining the spirit of the recently concluded Millennium Summit, at which a significant number of Heads of State and Government had called for a reform of the financial system of the United Nations and for the strengthening of United Nations peacekeeping through the implementation of the recommendations of the Panel on United Nations Peace Operations. In that connection, her Government had decided that it was ready to give up the 80 per cent discount in its peacekeeping assessment.

56. **Mr. Galuška** (Czech Republic) endorsed the statement made by the representative of France on

behalf of the European Union. His delegation believed that the time had come for a comprehensive review of the peacekeeping scale. The revised scale must be based on the principle of capacity to pay and must at the same time reflect the special responsibilities of the permanent members of the Security Council. The current group scheme was outdated.

57. The review of the scale was being undertaken in the context of broader efforts to reform the Organization's peacekeeping activities. In that connection, he welcomed the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809), which contained specific and realistic recommendations in that regard. Member States must build on the commitment made by their leaders in the Millennium Declaration to work together towards a better and more efficient United Nations.

58. While the decision of certain countries to increase their contributions to the peacekeeping budget voluntarily was welcome, there remained a need to correct the anomalies that characterized the current peacekeeping scale. For example, the movement of countries between groups must be based on economic factors, rather than voluntary commitments and the scale must more closely reflect the scale of assessments applicable to the regular budget.

59. With the costs of United Nations peacekeeping operations running higher than ever, the current situation could not be allowed to continue. It was to be hoped that the Committee could achieve a consensus on a new methodology for the apportionment of peacekeeping expenses by the end of the year. In that connection, he supported the call by the representative of Australia for delegations with specific proposals to introduce them at a formal meeting of the Committee as soon as possible so that they could be studied by all.

60. **Mr. Tomka** (Slovakia) said that his delegation wished to align itself with the statement made by the representative of France on behalf of the European Union. The ongoing reform of the United Nations aimed at strengthening programme delivery must be accompanied by reform of the Organization's financial structure. In that connection, there was a pressing need to establish a fairer system for the apportionment of the expenses of United Nations peacekeeping operations, particularly as the demands on the Organization grew and peacekeeping operations became more complex. His delegation welcomed the debate on the peacekeeping scale, which would provide an opportunity to correct existing imbalances. The revised scale must be based on the guiding principle of capacity to pay. In addition, the permanent members of the Security Council, because of their special responsibilities, should continue to pay a surcharge. Lastly, the scale must reflect the limited capacity to pay of the developing countries.

61. His Government was committed to honouring its financial obligations under a revised scale. In the seven years since its admission to the United Nations, Slovakia had not only contributed to the peacekeeping budget, but had also provided personnel and equipment to peacekeeping missions. His delegation now looked forward to working with other members of the Committee to strengthen the Organization's activities in the vital area of peacekeeping by placing them on a sounder financial foundation.

62. **Mr. Zackheos** (Cyprus) endorsed the statement made by the representative of France on behalf of the European Union. The demand for peacekeeping operations had increased steadily, and the dispatch of new missions seemed inevitable because of emerging conflicts. Moreover, the objectives of missions had moved beyond the traditional function of peacekeeping, with peacekeepers in Kosovo and East Timor now running civilian administrations, maintaining law and order and helping to organize elections, among other activities. His delegation therefore supported the strengthening of the Department of Peacekeeping Operations (DPKO) in order to enable it to meet those challenges. A revitalized Department would enhance the security and safety of peacekeepers in the field. There was a need for increased coordination between DPKO and the Department of Political Affairs, which might allow outbreaks of violence to be foreseen and preventive action to be taken. Governments, for their part, must ensure that the Secretariat could call at short notice on personnel with the special expertise necessary to respond to new and emerging needs. In that connection, his delegation considered that the use of United Nations Volunteers had been effective and cost-efficient Lastly, the international community must respond with greater zeal and urgency to peacekeeping demands in Africa.

63. In the light of the points he had raised, a new methodology for the apportionment of peacekeeping expenses was required. His Government supported the

reform of the peacekeeping scale, even though, under a new scale, its contributions would substantially increase. Indeed, it had decided to give up voluntarily the discount to which it was entitled under the current system. It had also agreed to bear one third of the cost of the United Nations Peacekeeping Force in Cyprus. The revised peacekeeping scale must be based on capacity to pay and must reflect the special responsibility of the permanent members of the Security Council for the maintenance of international peace and security. It must be reviewed periodically so as to take account of changes in the economic circumstances of individual States. Due consideration must be given to the special needs of small States and the least developed countries.

64. **Mr. Petrič** (Slovenia) said that his delegation associated itself with the statement made on behalf of the European Union. The scale of assessments for peacekeeping operations, which had been established 27 years earlier, must be reconsidered. The world had changed since then. Some countries were richer, some were poorer. Some, like his own country, had not existed in 1973 and some, like its predecessor State, had ceased to exist.

65. In that connection, he drew attention to the letter from the four successor States of the Socialist Federal Republic of Yugoslavia addressed to the President of the General Assembly (A/54/725). The letter noted that there was no basis for the assessment of a Member State that had ceased to exist, namely, the Socialist Federal Republic of Yugoslavia, or of a State that had not yet applied for membership, namely, the Federal Republic of Yugoslavia (Serbia and Montenegro), and that the relevant resolutions of the Security Council and the General Assembly were applicable in that regard. It was to be hoped that the existing anomaly would be corrected soon through the application of a new democratic Government in Belgrade to join the United Nations, in accordance with the relevant provisions of the Charter. His delegation would welcome and support such an application.

66. The original intent of the drafters of the Charter of the United Nations had been to establish a system of assessments based on relative capacity to pay, modified by a necessary ceiling to reduce the influence of, and dependency on, a single State or group of States. The system had been further modified by a floor and by a gradient to soften the impact on developing countries. While those principles remained fully valid, they must be adapted to the new realities of the international community and the new distribution of wealth among Member States.

67. His delegation supported the call to strengthen United Nations peacekeeping by implementing the recommendations of the Panel on United Nations Peace Operations, providing such operations with a sustainable financial base, and ensuring the safety of United Nations personnel. Those measures would require additional resources. His Government had decided to relinquish voluntarily the discount to which it was entitled under the current peacekeeping scale of assessments and would, beginning in the following year, contribute its full share to the cost of peacekeeping operations.

68. **Mr. Alatrash** (Libyan Arab Jamahiriya) endorsed the statement made by the representative of South Africa on behalf of the Movement of Non-Aligned Countries. He stressed his country's continuous support for operations aimed at maintaining international peace and security, and said that it had largely fulfilled its financial commitments in that respect.

69. In view of the large number of States which had requested the inclusion of the item under discussion in the agenda, he looked forward to a consensus on a scale of assessments that would be transparent, just and equitable for all States. A technical study, however, was essential to the discussion of such a complex issue in order to ensure that well-considered decisions were adopted in the interests of continuity and flexibility in addressing new situations. Overall consideration should also be given to capacity to pay by comparing assessments with the income and gross domestic product of each State and taking into account exceptional economic circumstances caused by situations such as natural disasters or an embargo, particularly in the case of the developing countries. His delegation would further elaborate on the subject during the forthcoming discussion of the scale of assessments for the apportionment of the expenses of the United Nations.

70. With reference to peacekeeping operations in the Middle East, he reiterated that the aggressor should meet the expenses incurred as a consequence of its aggression, including the expenses of the peacekeeping forces. Peacekeeping functions should be fairly distributed, rather than assigned to a specific country on the grounds of its experience in that field and the

United Nations should focus on ensuring that all peacekeeping missions were treated equally, without distinction in regard to administrative and financial arrangements. In that connection, he looked forward to seeing studies on the various aspects of peacekeeping, training, security, salaries, and compensation for death and disability.

71. Recalling an earlier decision that special treatment should be accorded to countries economically affected by the Second World War, he pointed out that the economic development of the Libyan Arab Jamahiriya was impeded by its inability to use the agricultural land and underground waters in over one third of its territory owing to the fact that millions of mines had been laid therein by countries engaged in a war in which it had no part. In conclusion, he said that his country would lend its full cooperation and participation in the establishment of a new equitable and transparent scale of assessments.

The meeting rose at 12.45 p.m.